

ANNUAL REVIEW

OF THE

TRADE OF MONTREAL.

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Probably in the history of the vicissitudes of commerce, there have been few examples of a period in which, without decided and extensive bankruptcies, there has been a more general revulsion than in our own trade, during the twelve months which closed with the last day of 1857. At the end of 1856, almost all our commercial men, after balancing their books, were able to carry a very handsome sum to the credit of profit in their private ledgers; and there was promise of a continuance of prosperity for the coming twelve months. Upon the strength of this prospect, large orders were sent to the chief manufacturing markets of Europe, and the Custom House returns will show that during the early part of the year, there was a considerable augmentation of imports, as compared with those of the corresponding period of 1856. Indeed the importation on the whole year has not fallen off to anything like the extent which has probably been generally supposed. For particulars on this head see the appropriate tables. Nevertheless, early in the year several ominous circumstances occurred to throw a gloom over the public mind. The first of these was the sad occurrence at the swing bridge over the Desjardins Canal, by which no less than sixty persons lost their lives in an instant. The burning of the Montreal, causing the loss of one hundred and sixty-eight emigrants, and the explosion of the Inkermann at Toronto: both took place in the earlier part of the open navigation, and altogether agitated the public mind to a remarkable degree. Later in the year, the Indian mutiny, and its accompanying atrocities, only too completely fulfilled these omens, and added a shade to the commercial darkness. It had long been felt that specula-

tion had been pushed too far in Upper Canada that the price of produce had, from various causes, some of them perhaps of an artificial nature, reached an unusual height, whence a reaction might not unreasonably be expected, and it was believed by many well-informed persons that sales of farming lands, and especially of village and town lots, had been made at rates which must greatly endanger the position of the purchasers, who had usually mortgaged the property bought for balances of prices, so large themselves, as to exceed what sober valuers estimated as the intrinsic value. It was also felt that these operations had been so general as to involve consequences far more extensive than those relating to the parties immediately interested. Probably, however, few foresaw the extent and profundity of the gulph which was about to open in the great field of American and British finance and banking. Yet the crash in that direction did not come entirely without warning. The immense sums invested in the construction of railways had only given rise to new demands upon capitalists for the means of working these vast enterprises, and the ever increasing applications for loans had raised the rate of interest on railway paper, and by its action on the general discount market, on other paper also, to fabulous rates. Simultaneously with this series of events, the prices of American securities, and of the second class securities of most of the railways of the Continent, ran down to a merely nominal value. At length the signal of disaster was given by the failure of the Ohio Trust and Loan Company—a concern doing an extensive and varied business in money lending and money borrowing, throughout the Northern States.